
Transportation Committee

HB 1358

Brief Description: Restricting the use of bond proceeds to pay certain taxes on transportation projects.

Sponsors: Representatives MacEwen, Smith, Stambaugh, Muri, Buys, Griffey, Hayes and Wilson.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Prevents the proceeds of bonds issued for transportation purposes from being used to pay sales and use taxes.

Hearing Date: 1/26/15

Staff: David Munnecke (786-7315).

Background:

Washington periodically issues general obligation bonds to fund transportation capital projects with a long-term expected life span. General obligation bonds pledge the full faith, credit, and taxing power of the state towards payment of debt service. The proceeds of the bonds must then be appropriated for transportation projects.

The State of Washington and certain local governmental entities collect sales and use taxes on the site preparation for, construction of, the acquisition of related machinery and equipment that will become a part of, and the rental of equipment for use in, state transportation projects.

Summary of Bill:

The proceeds of the sales of state bonds issued to fund the construction of transportation capital projects may not be used to pay sales and use taxes.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Requested on January 23, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.